

**New Hampshire Racing & Charitable Gaming Commission
Commission Meeting
Concord Office
October 11, 2011
11-12**

Present: Timothy J. Connors, Chairman
Warren W. Leary, Secretary
Michael J. Gatsas, Member
Anthony B. Urban, Member
Bernard A. Streeter, Member
Lynn M. Presby, Member
Paul M. Kelley, Director
Sudhir K. Naik, Deputy Director
Charles J. Saia, Legal Coordinator
Steve Johnston, Supervisor Gaming Operations
Billie Jean Arseneault, Gaming/Licensing Supervisor
William Dewhurst, Sr. Auditor
Linda Glaser, Auditor

In Attendance: Edward Callahan, Rick Newman, Jamie Timbas, Glenn McCrory, Dan Callaghan, Averill Cate, Les Nishi, Susan Geiger, Dan Mullen, Dick Bouley, Shawn Flanagan, Frank Valgenti and others.

The Chairman called the meeting to order at 9:35 a.m.

On a motion by Commissioner Urban, seconded by Commissioner Streeter and unanimously voted to approve and place on file the Commission minutes dated September 14, 2011.

On a motion by Commissioner Urban, seconded by Commissioner Leary and unanimously voted to accept and place on file the racing & charitable gaming statistics for the fiscal period July 01, 2011 – September 30, 2011.

The Games of Chance warning letters and late financial reports spreadsheets were reviewed. Deputy Director Naik reported that two warning letters were issued and satisfactory responses were received. On a motion by Commissioner Streeter, seconded by Commissioner Leary and unanimously voted to accept and place the spreadsheets on file.

The Games of Chance State and Charity Revenue spreadsheets were reviewed. On a motion by Commissioner Streeter, seconded by Commissioner Leary and unanimously voted to accept and place the spreadsheets on file.

Legislative Update – HB593 received a 4 to 1 vote for “Ought to Pass” from the Sub-Committee of the House Ways and Means Committee. The House Ways and Means Committee will hold an executive session to discuss the bill on October 26, 2011. The matter under consideration is an amendment, sponsored by Rep. Stepanek to the bill originally sponsored by Rep. Gionet. The current amendment states there will be two

locations, one to start immediately, the timing on the second has not yet been determined. SB13 (Increasing the wager limit) and SB182 (video lottery) are still in the Senate. However, there were Executive Sessions on September 14, 2011, by the Senate Ways and Means, the results of which have not been posted on the state's legislative website.

New Game Procedures - Per the request of the Commission, the staff is in the process of developing a "Game Procedures Binder", containing detailed descriptions of all authorized games of chance and the approved methods of play. At this point, all game operator employers have submitted and signed their current method of play and the rules that they have in place for the game of Blackjack, also known as 21. The staff has reviewed each submission and now presents them to the Commission for approval. On a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted to accept the procedures and rules submitted by the game operator employers for the game of Blackjack.

Action Items:

1. *Decision on Petition of Technology Exclusive for adoption of rules concerning electronic Lucky 7 ticket dispensers.*

No discussion at this time.

2. *Eastern Poker Tour (EPT) –staff to provide data sheet on two options submitted.*

Sr. Auditor William Dewhurst presented a visual display (diagram) following the flow of cash from the initial buy-ins to the charities, state, game operator employers and prize pool. Discussion ensued relative to funding the prize pool, ensuring the charity and the state each receive their proper allocation and how to encourage more players to participate, thus increasing the prize pool as well as the charity and state revenue. On a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted to conditionally approve EPT's tournament request contingent that they submit a plan for staff to review and streamline, so that the plan may be resubmitted to the Commission for final approval. Further, EPT must re-apply and submit a plan/proposal each time in the future when it intends to hold a tournament. The plan should include the following items: license and surety bond must be in place; the final table's mandatory buy-in; the manner by which players in New Hampshire will accumulate qualifying points; proposal that the final table will not be played in New Hampshire. On a motion by Commissioner Gatsas, seconded by Commissioner Urban and unanimously voted to amend the previous motion to include that the buy-in amount for the final table shall be an average amount of what the buy-ins are for qualifying tournaments, as determined by the staff.

3. *Schedule a work session on tournament jackpots – work in progress.*

This item was dropped from the agenda.

Tabled Items:

1. *Bingo/Lucky 7 Bona Fide Charitable Member issues- tabled 6/14/11*

As this item is more of a legislative issue, on a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted, this item was removed from the table. Senator Odell will hold a bill until October 22, 2011 and has offered to work with the Commission on proactive and clarifying language. Commissioner Presby offered to work with staff on this bill.

Correspondence:

Correspondence was reviewed and accepted.

Old Business:

Commissioner Presby presented an update on the meetings being held pertaining to Lucky 7 tickets. The meetings have been productive with several ideas for changes to the operation of the game of Bingo and the sale of Lucky 7 Tickets. There are still 5 or 6 areas of concern to be discussed. On a motion by Commissioner Urban, seconded by Commissioner Leary and unanimously voted to continue these work sessions.

At 10:00 a.m. Chairman Connors called for a five (5) minute recess.

The Chairman reconvened the meeting at 10:05 a.m.

New Business:

Representative Neil Kurk has requested information, as soon as possible, as to what impact a Casino or Racino would have on charitable gaming. What would be the impact on revenue for the charities and the state? Discussion ensued. Currently, there is no real data to support any type of estimate, other than in 1991 when Foxwoods Casino opened in Connecticut, New Hampshire saw a dramatic decline at their racetracks. Consideration should be made as to what is happening in the neighboring states of Massachusetts and Maine. The Commission requested Director Kelley and staff to contact one or two other states to inquire what, if any, impact casinos/racinos have had on charitable gaming. It was also suggested that the NH Lottery Commission be contacted to see what impact they feel a casino/racino will have on them.

Averill Cate suggested that the Commission request an amendment to SB13 to allow for one or two no limit poker tables in charitable game rooms. He feels this could benefit both the charities and the state. It was suggested that Mr. Cate contact his state representative, as representatives are looking for suggestions and feedback from constituents.

Frank Valgenti suggested that the Commission reach out to game operator employers and request that they send questionnaires to their clientele inquiring as to how their gaming practices would change if a casino/racino comes into the state.

Return to Action Item:

1. *Decision on Petition of Technology Exclusive for adoption of rules concerning electronic Lucky 7 ticket dispensers.*

Attorney Susan Geiger was invited to address the Commission. Attorney Geiger stated that on October 03, 2011 a letter was presented to the NH-RCGC addressing the most recent questions. Her client, Technology Exclusive, Inc., has been waiting patiently for the NH-RCGC to issue a decision. Discussion ensued. It was noted that the Commission had previously approved the concept of a lucky 7 ticket dispensing machine. At issue is paragraph number one of the petition. The machine in question looks like a slot machine and is controlled by a computer. The ticket is printed as it is being "spit out" of the machine as opposed to being preprinted. There does not seem to be an explanation in the statute as to whether the Commission has the authority to promulgate rules governing the proposed new machines. On a motion by Commissioner Presby, seconded by Commissioner Urban and unanimously voted to deny the petition as presented, based on the determination that it is not in the rulemaking authority of the Commission and based upon the determination that there is not any reference to future rule making authority. The motion requests the matter be sent to the Attorney General's office to determine whether the machines do or do not meet the qualifications for rulemaking under existing law, and to discern the intent and meaning of the new law.

The next regularly scheduled Commissioner's meeting will be held on Friday, November 18, 2011 at 11:00 a.m., in the Pharmacy Board conference room, 57 Regional Drive, Concord, NH.

At 10:30 a.m., on a motion by Commissioner Urban, seconded by Commissioner Leary and by a unanimous roll call vote the Commission voted to adjourn the regular meeting, and go into nonpublic session as allowed under RSA 91-A:3, I(b),II(c) and II(j).

Connors	-	Yes
Leary	-	Yes
Gatsas	-	Yes
Streeter	-	Yes
Presby	-	Yes
Urban	-	Yes

At 11:15 a.m., on a motion by Commissioner Urban, seconded by Commissioner Leary and by a unanimous roll call vote the Commission voted to come out of the nonpublic session and to permanently seal the nonpublic minutes.

Connors	-	Yes
Leary	-	Yes
Gatsas	-	Yes
Streeter	-	Yes
Presby	-	Yes
Urban	-	Yes

The Chairman closed the public meeting at 11:20 a.m.

Respectfully Submitted,

Warren W. Leary, Jr.
Secretary